

Legislative Support List 2007

[SB 274 \(Dutton\) – Consolidation of FTB, BoE, EDD, and DoI tax functions.](#)

I am the sponsor of this bill that would abolish the Franchise Tax Board and transfer its powers to the Board of Equalization. It would also transfer the tax administrative functions of Employment Development Department and Department of Insurance to BoE.

Consolidating the BoE, FTB and the tax functions of EDD would result in a more efficient tax department that provides more uniform tax policy and administration as well as administrative savings. The consolidation would place all California tax administration under and elected body whose members are elected every four years.

[AB 1600 \(LaMalfa\) – Burden of proof shift, conform to federal law.](#)

I am sponsoring this bill. If you are accused of a crime in court, the burden of proof of your guilt is with the government. In California, if you are a taxpayer accused of wrongdoing, the burden is on you to prove your innocence. In 1998 the federal government passed a reform that shifted the burden of proof from taxpayers to the IRS for factual issues when dealing with cooperating taxpayers. AB 1600 would likewise provide that any state agency that collects and administers taxes shall have the burden of proof with respect to factual issues used to ascertain the liability of a cooperating taxpayer.

The bill would also modify the evidence standard for ascertaining a taxpayer's liability that the Board of Equalization uses in sustaining its penalties for evasion or fraud. Under current law, the board uses a "preponderance" standard. This change would conform the BoE to the same evidence standard used by the Franchise Tax Board and the IRS under the 1998 reform.

[AB 819 \(Runner\) – Allow income tax deduction for contributions to qualified tuition program.](#)

This bill would allow Californians to deduct contributions to "529 plans", or college savings accounts, from their state income tax. Currently contributions are deductible from federal income tax. 28 other states the District of Columbia offer this deduction to its residents for state income tax.

[AB 1120 \(Tran\) – Sale Tax Holiday for Disaster Preparedness Items.](#)

This bill would provide an exemption from the sales tax for the gross receipts from the retail sale of qualified disaster preparedness products, purchased during a specified period.

I support all of the following proposals that seek to increase the Homeowners' and Renters' property tax credits. The table gives a rough summary:

Bill	Renters' Credit	Proposal
AB 293 (Strickland)	Legislative intent to raise.	Increase to \$22,000, plus index for inflation.
AB 351 (Smyth)	\$151 and \$75	Increase to \$27,000 for over 62.
AB 388 (Gaines)	\$430 and \$215	Increase to \$25,000
AB 495 (Tran)	\$360 and \$180	Increase to \$25,000 for over 62, plus index for inflation
AB 968 (Walters)	Index for inflation.	25% exemption for 1 st time homebuyers.
AB 972 (Walters)	Index for inflation.	25% exemption.